

ESCOBA BAY HOA

401 Preakness Lane
Sneads Ferry, NC 28460

October 1, 2008

To Whom It May Concern:

Escoba Bay is a subdivision of approximately 240 residential lots with 2.6 miles of paved roads. The Escoba Bay Homeowners Association originally incorporated and controlled by the developer in 1988, became the responsibility of the property owners in 1993 upon the departure of the developer. In accordance with the Master Covenants of the community, the Association became responsible for maintenance, repair, and operation of the common areas and amenities, including the roads.

Over the intervening years the Association, under the guidance of a five-person Board of Directors, has conducted the business of the community, including its responsibility for the common areas. The annual dues paid for each lot, currently \$429 and increasing to \$470 in 2009, have provided the bulk of resources needed. The Association presently has a reserve fund, above budgeted expenditures, for periodic repairs and upgrades to the community assets, including the roads and roadside drainage. In addition, the Association charges builders \$1,000 for each lot at the time construction is initiated; \$500 are held in escrow for any repairs to the roads immediately adjacent to the construction site, and the remaining \$500 are retained by the Association for general wear and tear on the roads.

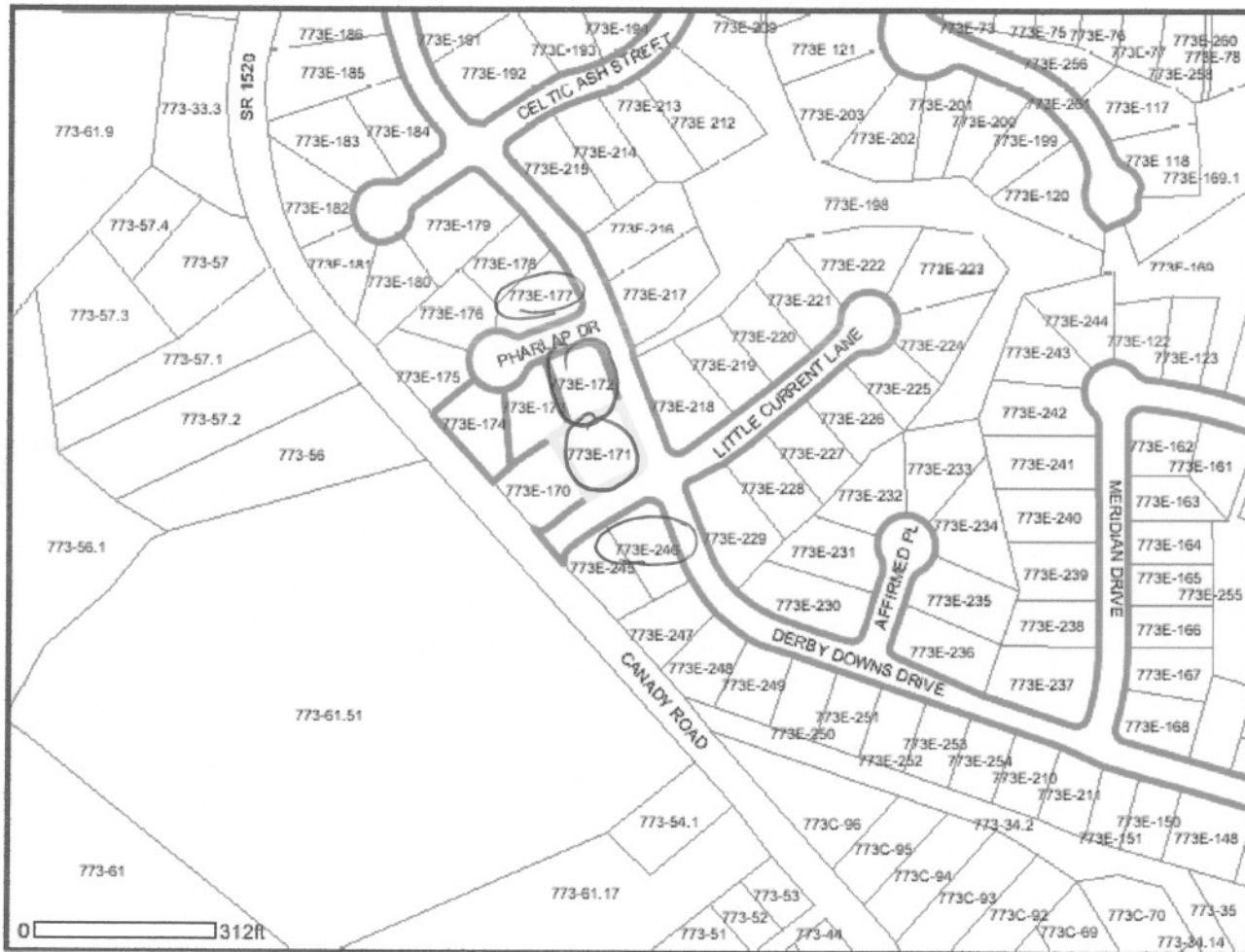
The current reserve is inadequate for major repairs or upgrades to the roads, however. If and when such major repairs are required, the Board of Directors shall present a request for a special assessment for vote by the membership, passage of which requires a yes vote by two thirds (2/3) of the members voting in person or by proxy at a meeting called for that purpose.

Sincerely,



Hal Corzine
Business Manager

GoMAPS - Onslow County NC Public Access



LEGEND

Road Name



Parcels

City Boundaries

HOLLY RIDGE

JACKSONVILLE

NORTH TOPSAIL BEACH

RICHLANDS

SURF CITY

SWANSBORO

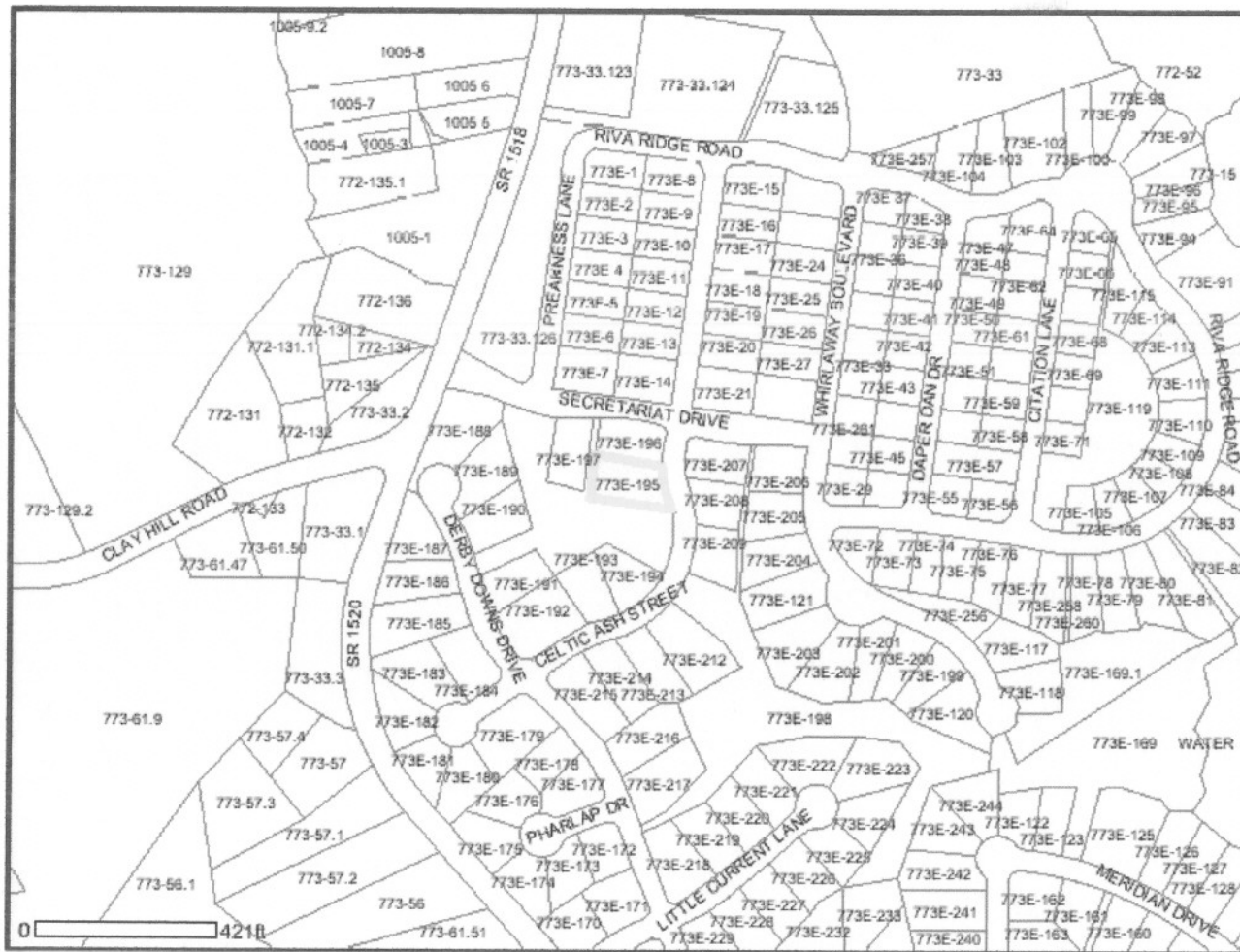


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**ESCOBA BAY HOMEOWNERS ASSOCIATION
FINANCIAL STATEMENT
JANUARY 1, 2008 THROUGH AUGUST 31, 2008**

OPERATIONS	2008 BUDGET	AS OF 7/31/2008	CURRENT August	TO DATE 8/31/2008
INCOME				
2008 Membership Assessments	102,960	93,090.14		94,265.13
Collected Dec. 2007 (non add)		28,266.00		28,266.00
Collected Current Year		64,824.14	1,174.99	65,999.13
Pre 2008 Assessments	9,000	4,461.83	118.61	4,580.44
Clubhouse Rental	900	325.00	150.00	475.00
Misc. Reimbursements	0	593.62	100.00	693.62
Total Income	112,860	70,204.59	1,543.60	71,748.19
EXPENSES				
BARN/STABLE				
Electricity	200	112.00	53.47	165.47
Water	0	29.37	15.65	45.02
Total Barn/Stable	200	141.37	69.12	210.49
CLUB HOUSE				
Electricity	1,800	869.31	201.75	1,071.06
Entrance Electricity	600	292.23	41.34	333.57
Equipment	500	0.00	0.00	0.00
Pest Control	550	245.74	0.00	245.74
Sewer	250	120.19	29.93	150.12
Supplies	300	96.23	0.00	96.23
Water	200	94.99	119.96	214.95
Scheduled Maint./Repairs	1,700			
Cleaning Services (1700)		900.00	125.00	1,025.00
Total Club House	5,900	2,618.69	517.98	3,136.67
GROUPS & FACILITIES MAINTENANCE				
Landscape Maintenance	21,200			
Contract (20,200)		12,000.00	1,800.00	13,800.00
Mulch, Mats, Stone (1,000)		490.00	0.00	490.00
Security Light Electricity	6,000	3,165.25	473.75	3,639.00
Signs	200	120.23	0.00	120.23
Sprinkler System Water	525	275.84	112.54	388.38
Waste Pickup	400	332.78	0.00	332.78
Backflow Prevention Test	150	0.00	0.00	0.00
Sewer Drain Clean-out	300	0.00	0.00	0.00
Vacant Lot Mowing	0	0.00	0.00	0.00
Less Reimbursements				
Unscheduled Maint./Repairs	4,000			
Barn/Stable		135.00	0.00	135.00
Club House		191.97	29.85	221.82
Swimming Pool		12.38	62.05	74.43
Grounds (Includes Fencing)		400.60	0.00	400.60
Total Grounds Maintenance	32,775	17,124.05	2,478.19	19,602.24